



**San Diego  
ASSOCIATION OF  
GOVERNMENTS**

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REC'D BY CTC

MAY 01 2000

April 25, 2000

Mr. Robert Remen  
Executive Director  
California Transportation Commission  
1120 N Street, Room 2233 (MS-52)  
Sacramento, CA 95814

Dear Mr. Remen:

As a follow-up to the discussion at the last Commission meeting, you requested information related to SANDAG's financial plans for meeting the local funding requirement for the seismic retrofit of the San Diego-Coronado Bridge per SB 60. Interest also was expressed regarding the earliest opportunity to eliminate tolls on the bridge.

Included for your information are the following:

- **San Diego-Coronado Bridge Financial Plan as Required by Senate Bill 60 (1998)** – This report fulfilled the requirement of SB 60 to submit a financial plan to the legislature and Caltrans by January 1, 1998. The report outlined three options, all of which provided for the payment of \$33 million by July 1, 2000 as required.
- **San Diego-Coronado Bridge: Financial Plan Update, Initial Study and Other Matters (SANDAG Board Agenda Report from March 26, 1999)** – This report provides general information regarding SANDAG's responsibilities as the toll authority, updates information from the 1998 study, and provides three new scenarios for paying the \$33 million retrofit payment. The SANDAG Board's action related to this item was to initiate an EIR regarding the potential impacts of removing the toll. In addition, the Board discontinued toll funding of alternative mode services as of July 1, 1999 (FY 2000) in order to preserve all financial options for meeting the seismic retrofit payment requirement.
- **San Diego-Coronado Bridge Toll Removal Impact Study (December, 1998)** – This report provided an analysis of the expected impacts of toll removal primarily as related to traffic increases. The EIR currently under development is intended to provide an independent evaluation of this analysis, as well as an examination of the full range of environmental impacts.

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY/LIAISON MEMBERS: California Department of Transportation, Metropolitan Transit Development Board, North San Diego County Transit Development Board, U.S. Department of Defense, S.D. Unified Port District, S.D. County Water Authority, and Tijuana/Baja California/Mexico.

- **Attorney General's Opinion Regarding the Use of Toll Revenues for Payment of Retrofit Costs (April 17, 2000)** – This opinion has not been reflected in any of the other financial planning work conducted by SANDAG to date. Up to this point, SANDAG has assumed that all available toll revenues could be applied to meet the \$33 million payment obligation per SB 60. SANDAG staff is currently analyzing the impacts of this opinion and will be presenting options for the SANDAG Board of Directors to consider in the near future.

If you have any questions regarding this information or require additional information, please contact me at 619-595-5326.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig H. Scott", followed by a horizontal line extending to the right.

CRAIG H. SCOTT  
Manager of Transportation Finance

CS/jm

Enclosures

## TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL  
State of CaliforniaBILL LOCKYER  
Attorney General

OPINION

No. 99-701

of

April 17, 2000

BILL LOCKYER  
Attorney GeneralROBERT L. MUKAI  
Deputy Attorney General

THE HONORABLE DEDE ALPERT, MEMBER OF THE STATE SENATE,  
has requested an opinion on the following question:

May money deposited in the San Diego-Coronado Toll Bridge Revenue Fund prior to March 26, 1992, that was appropriated for specified allocations in 1994, be deposited in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund?

## CONCLUSION

Money deposited in the San Diego-Coronado Toll Bridge Revenue Fund prior to March 26, 1992, that was appropriated for specified allocations in 1994, may not be deposited in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund.

## ANALYSIS

The Coronado Bridge, officially known as the San Diego-Coronado Bridge, spans a portion of San Diego Bay and connects the cities of San Diego and Coronado. It is owned by the state, and the tolls generated by its use are imposed by the San Diego Association of Governments ("SANDAG") and deposited in the San Diego-Coronado Toll Bridge Revenue Fund ("Fund"). (Sts. & Hy. Code, §§ 30796-30796.10.)<sup>1</sup>

The question presented for resolution concerns money that was deposited in the Fund prior to March 26, 1992, and appropriated for specified allocations in 1994. May such money be used now to help seismic retrofit the bridge? We conclude that it may not be so used.

The two statutes requiring our analysis and interpretation are sections 30796.7 and 30796.9. In relevant part section 30796.7 states:

"(a) Notwithstanding any other provision of law, the San Diego Association of Governments, on behalf of the state, may impose a toll on vehicles crossing the San Diego-Coronado Bridge. The toll shall be established by the association after conducting at least one public hearing.

".....

"(c)(1) The revenues from any tolls imposed on the bridge shall be used first for expenses related to the collection of tolls, including, but not limited to, the installation and operation of an automated toll collection system, if that system is installed by the association, and operation of the bridge, including, but not limited to, reimbursement for any operating and retrofitting costs and, second, for improvements to the bridge and its approaches. Tolls shall be established at an amount which will generate revenue sufficient to meet the requirements set forth in this paragraph, as determined by the department. Maintenance of the bridge shall be funded by the state under Section 188.4.

"(2) The revenues from any tolls imposed on the bridge may also be used for costs incurred by the San Diego Association of Governments in administering this section and for any of the following:

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<sup>1</sup> All references hereafter to the Streets and Highways Code are by section number only.

“(A) Transportation services that either increase the capacity of the bridge and its approaches or reduce the demand for travel in the transportation corridor that includes the bridge.

“(B) Alternative forms of transportation, within the transportation corridor that includes the bridge, that reduce congestion and air pollution, including but not limited to, ferry service and public transit.

“(C) Capital improvements and related expenditures within the transportation corridor for construction and maintenance of bikeways.

“.....

“(e) All money deposited in the San Diego-Coronado Toll Bridge Revenue Fund prior to March 26, 1992, and not expended, encumbered, or programmed before January 1, 1994, is appropriated to the Controller for allocation to the San Diego Association of Governments for the purposes of paragraph (2) of subdivision (c).

“.....”

Section 30796.9 provides:

“(a) The San Diego Association of Governments shall deposit thirty-three million dollars (\$33,000,000) in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund.

“.....

“(d) Of the thirty-three million dollars (\$33,000,000) in local funds to be paid by the San Diego Association of Governments as the local toll authority for the San Diego-Coronado Bridge, not less than ten million dollars (\$10,000,000) shall be paid from local toll revenue reserve funds. The balance of funds shall be paid from toll revenue bonds, as specified in Section 30796.10, supported by toll revenue. . . .”

In construing these two statutes, we may apply well recognized principles of statutory interpretation. We are directed to “ascertain the interest of the Legislature so as to effectuate the purpose of the law.” (*DuBois v. Workers' Comp. Appeals Bd.* (1993) 5 Cal.4th

382, 387.) "The words of the statute are the starting point." (*Wilcox v. Birtwhistle* (1999) 21 Cal.4th 973, 977.) "If the language is clear and unambiguous, there is no need for construction . . ." (*Lungren v. Deukmejian* (1988) 45 Cal.3d 727, 735.) Finally, "[w]ords must be construed in context, and statutes must be harmonized, both internally and with each other, to the extent possible." (*Woods v. Young* (1991) 53 Cal.3d 315, 323.)

Applying these rules of construction, we find that sections 30796.7 and 30796.9 are both clear and unambiguous in their terms, and the language of each may be easily harmonized. First, the Legislature has directed that the money deposited in the Fund prior to March 26, 1992 (and not expended, encumbered or programmed before January 1, 1994) is to be used by SANDAG for specified purposes. (§ 30796.7, subd. (e).)<sup>2</sup> These specified purposes do not include seismic retrofitting (§ 30796.7, subd. (c)(2)), which is funded in part pursuant to a different statutory provision (§ 30796.7, subd. (c)(1)). Accordingly, under the terms of subdivision (e) of section 30796.7, the money deposited in the Fund prior to March 26, 1992, is unavailable for seismic retrofitting of the bridge.

We are informed by SANDAG that approximately \$11 million was deposited in the Fund prior to March 26, 1992, and not expended, encumbered, or programmed before January 1, 1994, but has since been spent, along with an additional \$5 million, for the purposes specified in subdivision (c)(2) of section 30796.7. The City of Coronado disputes whether the \$11 million deposited into the Fund prior to March 26, 1992, was part of the \$16 million spent by SANDAG on the transportation services, alternative forms of transportation, and capital improvements specified in subdivision (c)(2) of section 30796.7. We do not resolve this factual dispute. (66 Ops.Cal.Atty.Gen. Foreword, p. III (1983).)

With respect to the directives of section 30796.9, we are informed that tolls generated since March 26, 1992, have amounted to approximately \$48 million. Approximately \$33 million in toll revenue reserve funds will be on deposit as of July 1, 2000. From that amount, the Legislature has directed SANDAG to spend \$10 million or more on the seismic retrofitting of the bridge. (§ 30796.9, subd. (d).) Whatever sum is not derived from toll revenue reserve funds to comply with the directive of section 30796.9, subdivision (a), is to be generated by the issuance of revenue bonds. (§ 30796.9, subd. (d).)

Our construction of sections 30796.7 and 30796.9 harmonizes the Legislature's apparent intent in enacting both statutes. The language of each is clear and must be given

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<sup>2</sup> The "March 26, 1992" date refers to when the toll collecting function with respect to the Coronado Bridge was transferred by the Legislature from the California Transportation Commission to SANDAG. (Stats. 1992, ch. 20.)

effect. We find no basis for departing from the plain meaning of the terms employed by the Legislature in these two statutes.

In answer to the question presented, therefore, we conclude that money deposited in the Fund prior to March 26, 1992, that was appropriated for specified allocations in 1994, may not be deposited in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund.

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San Diego Association of Governments

# BOARD OF DIRECTORS

March 26, 1999

AGENDA REPORT No.: 99-3-19

Action Requested: RECEIVE FOR DISTRIBUTION

## SAN DIEGO-CORONADO BRIDGE: FINANCIAL PLAN UPDATE, INITIAL STUDY, AND OTHER MATTERS

### Introduction

At the last meeting, the Board discussed the updated Financial Plan for the bridge seismic retrofit project. Based on that discussion, additional information was requested by the Board. The attachments to this report provide the information requested. These attachments include:

- The 1999 Financial Plan Update for the San Diego-Coronado Bridge Seismic Retrofit Payment (Attachment 1)
- The draft Initial Study for the Proposed San Diego-Coronado Bridge Toll Removal (Attached under separate cover for Board members only)
- A Memorandum from the General Counsel on CEQA issues related to the Financial Plan and other related actions (Attachment 2)
- A Memorandum from the General Counsel responding to issues raised by the City of Coronado at the last meeting (Attachment 3)
- Information related to bridge usage, toll collection, and the services being provided through the annual toll-funded program of projects (Attachment 4)

Based on this information, it is my

### RECOMMENDATION

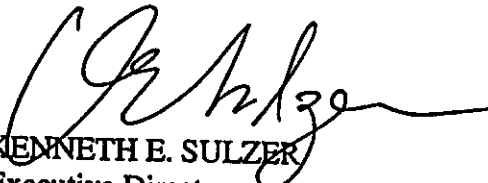
that the Board of Directors take the following actions:

- Receive the updated financial plan for the seismic retrofit payment (Attachment 1) for distribution for review and comment on the financial options presented.
- Authorize distribution of the Financial Plan Update for review and comment.
- Receive the voluntarily-prepared Initial Study for Toll Removal.
- If the Board intends to consider removing the toll on the San Diego-Coronado Bridge, provide direction to the staff regarding completion of the CEQA process as outlined in Attachment 2. The two basic options are:



- Direct staff to proceed with the statutory exemption provided for rate, toll and fare changes (after conducting a duly-noticed public hearing and making the appropriate findings)
- or direct staff to take all necessary actions, including hiring consultants and legal advisors, to cause an EIR to be prepared.

In addition, in order to preserve all financial options for making the Bridge seismic retrofit payment to the state, it is recommended that funding for the annual program of projects not be continued beyond the current fiscal year. No action is required to discontinue funding. If the Board desires to continue the annual programs, the staff should be directed to initiate the process for developing the FY 2000 program.



KENNETH E. SULZER  
Executive Director

Attachments

Key Staff Contact: Craig Scott, (619) 595-5326; e-mail: [csc@sandag.cog.ca.us](mailto:csc@sandag.cog.ca.us)

Funds are Budgeted in Overall Work Program # 104.08

## 1999 FINANCIAL PLAN UPDATE FOR SAN DIEGO-CORONADO BRIDGE SEISMIC RETROFIT PAYMENT

### Introduction

This report provides an update to the initial Financial Plan approved by the SANDAG Board of Directors in December, 1997. The Financial Plan was prepared pursuant to SB 60 (1997) which requires SANDAG to pay \$33 million to the state as the local share of an estimated \$95 million seismic retrofit project on the San Diego-Coronado Bridge. The purpose of the Financial Plan is to identify the most cost-effective method of paying this local share requirement.\*

The Financial Plan Update is organized in the following two sections:

- Section 1 – Review of State Legislation related to the Bridge
- Section 2 – Results of the 1999 Update to the Financial Plan

### Section 1

#### *Review of State Legislation related to the San Diego-Coronado Bridge and SANDAG's Responsibilities as the Toll Authority*

State law (Streets and Highway Code Section 30796.7 et seq.) regarding the San Diego-Coronado Bridge has been amended several times during the 1990s beginning with SB 122 (Killea) in 1992, which established SANDAG as the toll-setting authority for the bridge.

In summary, based on current state law, if SANDAG continues to impose a toll, SANDAG is required to pay Caltrans' costs in addition to the \$33 million retrofit payment. All other expenditures of toll revenues are optional. It is possible for Caltrans to require SANDAG to increase tolls in order to pay Caltrans' ongoing operating costs and capital projects. If SANDAG does not continue to impose a toll, Caltrans' toll collection costs would be eliminated and other operating and rehabilitation projects would be funded out of the State Highway Account like any other state highway project. Major capacity-enhancing capital projects in the bridge corridor

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\* Receipt of the updated financial plan is not a project pursuant to CEQA (Public Resources Code § 21065 and 14 California Code of Regulations ("CEQA Guidelines") § 15378(b)(4) since the updated financial plan involves governmental funding and fiscal activities which do not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment. Receipt of the updated financial plan is also statutorily exempt from CEQA pursuant to the exemption for feasibility and future planning studies (Public Resources Code § 21102 and CEQA Guidelines 15262.) The environmental factors resulting from the receipt of the updated financial plan have been considered. Receipt of the updated financial plan is strictly financial. Therefore, receipt of the updated financial plan will not have a potentially significant physical environmental impact.

would have to compete with other projects through the State Transportation Improvement Program (STIP) process.

The key provisions of the law related to financing issues are as follows:

**Seismic Retrofit Project Requirements:**

- SANDAG is required to pay \$33 million to the State on or before July 1, 2000. Total retrofit project costs were estimated at \$95 million.
- Of the \$33 million required payment, at least \$10 million shall be paid from local toll revenue reserve funds held by SANDAG. SANDAG has been provided with bonding authority to issue debt secured by toll revenues if needed to pay for the remainder of the \$33 million.
- By January 1, 1998, SANDAG shall submit a Financial Plan to the Legislature and Caltrans for the transfer of the \$33 million (SANDAG approved such a Financial Plan in December, 1997).

**Funding Requirements Related to On-Going Operations and Capital Projects:**

- If SANDAG imposes tolls, it shall reimburse Caltrans for all costs incurred in operating the bridge, collecting tolls and performing other related services.
- The revenues from any tolls imposed shall be used first for Caltrans' operating costs and retrofitting costs (including debt service if necessary to meet the retrofit payment requirement), and second for Caltrans' improvements to the bridge and its approaches.
- The toll, if imposed, shall be established at an amount sufficient to meet the above requirements as determined by Caltrans. The toll charged may not be increased above \$1.50 per car.
- Funds held by the state prior to March 26, 1992 and not expended, encumbered or programmed before January 1, 1994 are to be transferred to SANDAG. As of the beginning of this fiscal year, Caltrans held approximately \$7.7 million dating back to this original transfer to fund projects programmed at that time. In addition to these funds held by Caltrans, the reserve fund balance held by SANDAG is currently \$23.2 million.

**Optional Funding Actions:**

- After Caltrans' costs are covered, any excess toll revenues may also be used for SANDAG's administrative costs related to the bridge, and for services that increase the capacity of the bridge or reduce travel demand in the bridge corridor, alternative forms of transportation within the bridge corridor that reduce congestion and air pollution, and construction and maintenance of bikeways within the bridge corridor.

## Section 2

### *Results of the 1999 Update to the Financial Plan*

**Key Assumptions:** Staff has been collecting the best information available to update the detailed cash flow analysis prepared for the 1997 Financial Plan. The basic methodology is the same. The key assumptions used in the update are as follows:

- Toll is assumed to remain at \$1.00, except as otherwise noted. Caltrans estimates of annual toll revenues have been used through FY 2004 with future year toll revenues based on the same methodology used in the 1997 Plan.
- Caltrans' operating costs have been included as provided by Caltrans. Beginning in FY99, Caltrans added an average overhead charge of 23% to direct personnel charges, which is consistent with Caltrans procedures for other similar activities statewide. Caltrans estimates that this will add approximately \$500,000 in annual expenses.
- No Electronic Toll Collection (ETC) costs are assumed at this time. If tolls are to continue being collected in the long-term, additional ETC costs would need to be added.
- Caltrans' capital projects have been included as shown on Table 1. SANDAG is required to fund these. For FY 2002 and beyond, Caltrans has reduced its estimated needs to between \$250,000 and \$500,000 per year for miscellaneous minor projects. Caltrans has included a project in FY 2004 to modify the toll plaza area at an estimated cost of \$2.275 million if the toll were to be removed in the future.
- Caltrans' future major rehabilitation project has been included for modeling purposes in the year 2015 at an escalated cost of \$41.6 million for those options assuming a continuation of the toll. This is an issue raised in the prior Financial Plan. Caltrans estimates that sometime in the next 10-20 years a major rehabilitation of the bridge pilings will be required at a cost of \$20-30 million in today's dollars.

Table 1

Caltrans Capital Projects  
(Thousands of Dollars)

<u>Project</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>
Timber Fender System	\$233	\$1,312	\$1,320	\$0	\$0
Traveling Scaffold	392.5	1,596	1,716.5	0	0
Bridge Pier Elevators	0	378	0	0	0
<u>Minor Projects</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>250</u>
<b>Total Cost</b>	<b>\$1,025.5</b>	<b>\$3,686</b>	<b>\$3,436.5</b>	<b>\$400</b>	<b>\$250</b>

The new input received from Caltrans for its bridge-related projects, as well as SANDAG's prior decision on the FY99 program of projects, change the Financial Plan. The first change is the addition of the overhead rate as discussed above which increases annual operating expenses. The second is the allocation of \$2 million in toll funds for the annual program of projects in FY99. The 1997 Financial Plan assumed \$0-1 million for the FY99 annual program, depending on the option. This change worsens the financial position in the first year for this update by \$1-2 million. The third change is a \$2 million reduction in the beginning cash balance in the reserve funds held by Caltrans, as compared to the input provided by Caltrans for the 1997 Financial Plan. The negative financial impact of these changes in the early years is partially offset by revisions to the costs and schedules for Caltrans capital projects. For future years, Caltrans has significantly reduced its estimated needs for miscellaneous capital projects by over \$1 million per year.

**Analysis of Results:** With the Caltrans inputs for operating and capital project needs included as given, a multi-year cash flow analysis has been developed for the three options summarized below. The three options analyzed in this update attempt to lay out the basic policy options available to SANDAG under current law.

**Bonding Option** – As shown in Table 2, this option uses the minimum required \$10 million from SANDAG's reserve funds to make the \$33 million retrofit payment, with the balance of \$23 million coming from bond proceeds. The purpose of this option is to determine what level of annual funding could be maintained for the annual programs using the remaining reserve balance, interest earnings and future annual revenues.

The same \$900,000 annual funding level for the toll-funded programs as assumed in the 1997 Plan could be maintained through the year 2021 and all Caltrans operating and capital costs could be funded, including the \$41.6 million piling rehabilitation project assumed in 2015. However, the bonds would not be paid off until 2027. An increase in tolls would be required after 2021 to maintain the \$900,000 annual program and pay the required debt service. Over this total time period, \$180 million in toll revenues would be collected in order to pay the required Caltrans projects and provide a total of \$27.2 million through the annual program for local projects. Total debt service would exceed \$38 million.

Through the use of bonding, a \$900,000 annual program (about 60% of the current annual program) could be maintained. This option would not allow for any consideration of removing the toll until the bonds are retired, which under these assumptions would be in 2028. With the toll in place, SANDAG remains liable for payment of any operating or capital costs that Caltrans determines to be necessary. Under this option, the Board would need to weigh the benefits of maintaining the toll to fund an annual program of projects against the liability of having to pay Caltrans' ongoing operating and capital costs.

**Non-Bonding Option** – The focus of this option is to determine how fast the \$33 million retrofit payment and the existing commitments for funding Caltrans' other capital projects could be paid off without the use of bonding (Table 3).

Under this option, all available reserve funds and other revenues would be used to pay the ongoing Caltrans operating and capital requirements and make the \$33 million retrofit payment. No additional funding is assumed for annual programs after the end of the current fiscal year (June 30, 1999). If the annual programs are continued, even at a reduced level, beyond the end of this fiscal year, SANDAG would have to borrow funds to make the \$33 million required payment.

With these assumptions, the \$33 million payment could be made on July 1, 2000 without the need for debt financing. Caltrans' major capital projects would be entirely paid off by June 30, 2001, with the exception of the proposed modifications of the toll plaza scheduled for FY 2004 by Caltrans at a cost of \$2.275 million. By July 1, 2002, sufficient funds would be generated to cover this project as well. If the toll were to be removed after these existing commitments were met, the liability for future major rehabilitation on the bridge and ongoing bridge operations and minor capital projects would be shifted to the State Highway Account.

**Increase Toll Option** – To portray the full range of options available to the Board, an option involving increasing revenue was also examined. The purpose of this option is to maintain a higher level of funding for the annual programs while avoiding the need to borrow to meet the \$33 million retrofit payment.

Under law, SANDAG could increase the toll to \$1.50. Other revenue increasing options include changing the Board's toll policies to reduce or eliminate the commuter discount (currently \$0.60) or to eliminate the free passage for carpools except in the peak period. In an earlier study by Caltrans, it was estimated that allowing carpools to travel free from 5 a.m. to 8 a.m. only (instead of all day) would result in a \$3.3 million increase in annual toll revenues. Increasing the toll to \$1.50 would generate an additional \$2.5 million and increasing the commuter discount to \$0.90 would raise another \$2 million.

Under this option, it was assumed that, using some combination of the above revenue enhancing measures, an additional \$3 million could be raised each year beginning in FY 2000. With these additional funds, a \$1.5 million annual program could be maintained, the \$33 million retrofit payment could be made without borrowing, and all Caltrans operating and capital costs (including the major bridge piling rehabilitation project) would be funded with a substantial fund balance remaining. However, with the toll in place for the long term under this option, SANDAG would remain liable for payment of any future operating or capital costs determined to be needed by Caltrans.

**Table 2**  
**Bonding Option**

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
SANDAG Reserve Balance	\$ 23,162,927	\$ 25,814,752	\$ 29,822,005	\$ 21,394,082	\$ 22,888,404	\$ 24,622,113	\$ 26,459,671	\$ 28,296,075
Caltrans Reserve Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenue								
Toll Revenue	\$ 5,764,000	\$ 5,823,000	\$ 5,881,000	\$ 5,940,000	\$ 5,999,000	\$ 6,059,000	\$ 6,067,895	\$ 6,087,909
Interest Earnings								
SANDAG Toll Reserve	\$ 1,469,330	\$ 1,669,103	\$ 641,822	\$ 1,328,475	\$ 1,425,316	\$ 1,532,454	\$ 1,642,672	\$ 1,751,806
Caltrans Reserve	\$ 432,495	\$ 291,150	\$ 90,285	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings Subtotal	\$ 1,901,825	\$ 1,960,253	\$ 732,107	\$ 1,328,475	\$ 1,425,316	\$ 1,532,454	\$ 1,642,672	\$ 1,751,806
Annual Revenue Subtotal	\$ 7,665,825	\$ 7,783,253	\$ 6,613,107	\$ 7,268,475	\$ 7,424,316	\$ 7,591,454	\$ 7,710,567	\$ 7,839,715
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ 23,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Available Revenue	\$ 7,665,825	\$ 7,783,253	\$ 29,613,107	\$ 7,268,475	\$ 7,424,316	\$ 7,591,454	\$ 7,710,567	\$ 7,839,715
Annual Bridge Expenses								
Debt Service	\$ -	\$ -	\$ 775,031	\$ 1,470,152	\$ 1,470,606	\$ 1,465,896	\$ 1,467,127	\$ 1,460,748
Bridge Operations	\$ 3,014,000	\$ 2,876,000	\$ 2,939,000	\$ 3,004,000	\$ 3,070,000	\$ 3,138,000	\$ 3,207,036	\$ 3,277,591
Caltrans Capital Projects	\$ 1,025,500	\$ 3,686,000	\$ 3,436,500	\$ 400,000	\$ 250,000	\$ 250,000	\$ 300,000	\$ 400,000
SANDAG Retrofit Contribution	\$ -	\$ -	\$ 33,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Program of Projects (POP)	\$ 2,000,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Annual Bridge Expenses	\$ 6,039,500	\$ 7,462,000	\$ 41,050,531	\$ 5,774,152	\$ 5,690,606	\$ 5,753,896	\$ 5,874,163	\$ 6,038,339
Revenue Schedule								
Caltrans Reserve	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (10,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Revenue and Caltrans Interest Earnings	\$ (5,014,000)	\$ (3,776,000)	\$ (5,041,031)	\$ (5,774,152)	\$ (5,690,606)	\$ (5,753,896)	\$ (5,874,163)	\$ (6,038,339)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ (23,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (6,039,500)	\$ (7,462,000)	\$ (41,050,531)	\$ (5,774,152)	\$ (5,690,606)	\$ (5,753,896)	\$ (5,874,163)	\$ (6,038,339)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances								
SANDAG Beginning Balance	\$ 23,162,927	\$ 25,814,752	\$ 29,822,005	\$ 21,394,082	\$ 22,888,404	\$ 24,622,113	\$ 26,459,671	\$ 28,296,075
Interest on SANDAG Reserve	\$ 1,469,330	\$ 1,669,103	\$ 641,822	\$ 1,328,475	\$ 1,425,316	\$ 1,532,454	\$ 1,642,672	\$ 1,751,806
Excess Toll Revenue	\$ 1,182,495	\$ 2,338,150	\$ 930,254	\$ 165,848	\$ 308,394	\$ 305,104	\$ 193,732	\$ 49,570
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (10,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Ending Balance	\$ 25,814,752	\$ 29,822,005	\$ 21,394,082	\$ 22,888,404	\$ 24,622,113	\$ 26,459,671	\$ 28,296,075	\$ 30,097,451
Caltrans Reserve Beginning Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Used for Capital Projects	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Ending Balance	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Table 2**  
**Bonding Option**

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
SANDAG Reserve Balance	\$ 30,097,451	\$ 31,851,971	\$ 33,651,614	\$ 35,497,179	\$ 37,387,037	\$ 39,325,251	\$ 41,315,812	\$ 43,355,707
Caltrans Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenue								
Toll Revenue	\$ 6,107,989	\$ 6,128,136	\$ 6,148,349	\$ 6,168,628	\$ 6,188,975	\$ 6,209,389	\$ 6,229,870	\$ 6,250,419
Interest Earnings								
SANDAG Toll Reserve	\$ 1,858,483	\$ 1,965,108	\$ 2,074,464	\$ 2,186,526	\$ 2,301,369	\$ 2,419,232	\$ 2,540,146	\$ 2,663,978
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings Subtotal	\$ 1,858,483	\$ 1,965,108	\$ 2,074,464	\$ 2,186,526	\$ 2,301,369	\$ 2,419,232	\$ 2,540,146	\$ 2,663,978
Annual Revenue Subtotal	\$ 7,966,472	\$ 8,093,244	\$ 8,222,813	\$ 8,355,154	\$ 8,490,344	\$ 8,628,621	\$ 8,770,016	\$ 8,914,397
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Available Revenue	\$ 7,966,472	\$ 8,093,244	\$ 8,222,813	\$ 8,355,154	\$ 8,490,344	\$ 8,628,621	\$ 8,770,016	\$ 8,914,397
Annual Bridge Expenses								
Debt Service	\$ 1,462,254	\$ 1,459,210	\$ 1,456,299	\$ 1,455,888	\$ 1,452,314	\$ 1,445,849	\$ 1,443,480	\$ 1,443,393
Bridge Operations	\$ 3,349,698	\$ 3,423,391	\$ 3,498,706	\$ 3,575,677	\$ 3,654,342	\$ 3,734,738	\$ 3,816,902	\$ 3,900,874
Caltrans Capital Projects	\$ 500,000	\$ 511,000	\$ 522,242	\$ 533,731	\$ 545,473	\$ 557,474	\$ 569,738	\$ 582,272
SANDAG Retrofit Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Program of Projects (POP)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Annual Bridge Expenses	\$ 6,211,952	\$ 6,293,601	\$ 6,377,247	\$ 6,465,296	\$ 6,552,130	\$ 6,638,061	\$ 6,730,120	\$ 6,826,540
Revenue Schedule								
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ (103,963)	\$ (165,465)	\$ (228,898)	\$ (296,668)	\$ (363,155)	\$ (428,672)	\$ (500,250)	\$ (576,121)
Toll Revenue and Caltrans Interest Earnings	\$ (6,107,989)	\$ (6,128,136)	\$ (6,148,349)	\$ (6,168,628)	\$ (6,188,975)	\$ (6,209,389)	\$ (6,229,870)	\$ (6,250,419)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (6,211,952)	\$ (6,293,601)	\$ (6,377,247)	\$ (6,465,296)	\$ (6,552,130)	\$ (6,638,061)	\$ (6,730,120)	\$ (6,826,540)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances								
SANDAG Beginning Balance	\$ 30,097,451	\$ 31,851,971	\$ 33,651,614	\$ 35,497,179	\$ 37,387,037	\$ 39,325,251	\$ 41,315,812	\$ 43,355,707
Interest on SANDAG Reserve	\$ 1,858,483	\$ 1,965,108	\$ 2,074,464	\$ 2,186,526	\$ 2,301,369	\$ 2,419,232	\$ 2,540,146	\$ 2,663,978
Excess Toll Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ (103,963)	\$ (165,465)	\$ (228,898)	\$ (296,668)	\$ (363,155)	\$ (428,672)	\$ (500,250)	\$ (576,121)
SANDAG Ending Balance	\$ 31,851,971	\$ 33,651,614	\$ 35,497,179	\$ 37,387,037	\$ 39,325,251	\$ 41,315,812	\$ 43,355,707	\$ 45,443,564
Caltrans Reserve Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Used for Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**Table 2**  
**Bonding Option**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
SANDAG Reserve Balance	\$ 45,443,564	\$ 4,697,689	\$ 4,241,355	\$ 3,669,906	\$ 2,981,997	\$ 2,167,378	\$ 1,211,379	\$ 106,708
Caltrans Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenue								
Toll Revenue	\$ 6,271,035	\$ 6,291,720	\$ 6,312,472	\$ 6,333,294	\$ 6,354,184	\$ 6,375,142	\$ 6,396,170	\$ 6,417,268
Interest Earnings								
SANDAG Toll Reserve	\$ 1,504,238	\$ 268,171	\$ 237,338	\$ 199,557	\$ 154,481	\$ 101,363	\$ 39,543	\$ 3,201
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings Subtotal	\$ 1,504,238	\$ 268,171	\$ 237,338	\$ 199,557	\$ 154,481	\$ 101,363	\$ 39,543	\$ 3,201
Annual Revenue Subtotal	\$ 7,775,273	\$ 6,559,891	\$ 6,549,810	\$ 6,532,851	\$ 6,508,665	\$ 6,476,505	\$ 6,435,713	\$ 6,420,469
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Available Revenue	\$ 7,775,273	\$ 6,559,891	\$ 6,549,810	\$ 6,532,851	\$ 6,508,665	\$ 6,476,505	\$ 6,435,713	\$ 6,420,469
Annual Bridge Expenses								
Debt Service	\$ 1,439,372	\$ 1,433,651	\$ 1,435,667	\$ 1,429,886	\$ 1,424,812	\$ 1,424,064	\$ 1,419,558	\$ 1,417,689
Bridge Operations	\$ 3,986,693	\$ 4,074,400	\$ 4,164,037	\$ 4,255,646	\$ 4,349,270	\$ 4,444,954	\$ 4,542,743	\$ 4,642,683
Caltrans Capital Projects	\$ 42,195,082	\$ 608,174	\$ 621,554	\$ 635,228	\$ 649,203	\$ 663,486	\$ 678,083	\$ 693,000
SANDAG Retrofit Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Program of Projects (POP)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Annual Bridge Expenses	\$ 48,521,148	\$ 7,016,226	\$ 7,121,259	\$ 7,220,760	\$ 7,323,285	\$ 7,432,503	\$ 7,540,383	\$ 7,653,372
Revenue Schedule								
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ (42,250,113)	\$ (724,506)	\$ (808,787)	\$ (887,466)	\$ (969,101)	\$ (1,057,361)	\$ (1,144,213)	\$ (109,910)
Toll Revenue and Caltrans Interest Earnings	\$ (6,271,035)	\$ (6,291,720)	\$ (6,312,472)	\$ (6,333,294)	\$ (6,354,184)	\$ (6,375,142)	\$ (6,396,170)	\$ (6,417,268)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (48,521,148)	\$ (7,016,226)	\$ (7,121,259)	\$ (7,220,760)	\$ (7,323,285)	\$ (7,432,503)	\$ (7,540,383)	\$ (6,527,178)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,126,195)
Reserve Balances								
SANDAG Beginning Balance	\$ 45,443,564	\$ 4,697,689	\$ 4,241,355	\$ 3,669,906	\$ 2,981,997	\$ 2,167,378	\$ 1,211,379	\$ 106,708
Interest on SANDAG Reserve	\$ 1,504,238	\$ 268,171	\$ 237,338	\$ 199,557	\$ 154,481	\$ 101,363	\$ 39,543	\$ 3,201
Excess Toll Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ (42,250,113)	\$ (724,506)	\$ (808,787)	\$ (887,466)	\$ (969,101)	\$ (1,057,361)	\$ (1,144,213)	\$ (109,910)
SANDAG Ending Balance	\$ 4,697,689	\$ 4,241,355	\$ 3,669,906	\$ 2,981,997	\$ 2,167,378	\$ 1,211,379	\$ 106,708	\$ -
Caltrans Reserve Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Used for Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Table 2**  
**Bonding Option**

	FY23	FY24	FY25	FY26	FY27	Total
SANDAG Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	
Caltrans Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Annual Revenue</b>						
Toll Revenue	\$ 6,438,435	\$ 6,438,436	\$ 6,438,437	\$ 6,438,438	\$ 6,438,439	\$ 179,997,029
<b>Interest Earnings</b>						
SANDAG Toll Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,978,174
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 813,930
Interest Earnings Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,792,104
Annual Revenue Subtotal	\$ 6,438,435	\$ 6,438,436	\$ 6,438,437	\$ 6,438,438	\$ 6,438,439	\$ 212,789,133
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,000,000
Total Available Revenue	\$ 6,438,435	\$ 6,438,436	\$ 6,438,437	\$ 6,438,438	\$ 6,438,439	\$ 235,789,133
<b>Annual Bridge Expenses</b>						
Debt Service	\$ 1,410,058	\$ 1,408,641	\$ 1,401,908	\$ 1,397,934	\$ 1,396,814	\$ 38,168,300
Bridge Operations	\$ 4,744,822	\$ 4,744,823	\$ 4,744,824	\$ 4,744,825	\$ 4,744,826	\$ 111,664,501
Caltrans Capital Projects	\$ 708,246	\$ 723,828	\$ 739,752	\$ 756,027	\$ 772,659	\$ 64,514,254
SANDAG Retrofit Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,000,000
Toll Program of Projects (POP)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 27,200,000
Annual Bridge Expenses	\$ 7,763,126	\$ 7,777,291	\$ 7,786,484	\$ 7,798,786	\$ 7,814,299	\$ 274,547,055
<b>Revenue Schedule</b>						
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,721,000)
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,614,647)
Toll Revenue and Caltrans Interest Earnings	\$ (6,438,435)	\$ (6,438,436)	\$ (6,438,437)	\$ (6,438,438)	\$ (6,438,439)	\$ (175,337,412)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,000,000)
Total Revenue Drawdown	\$ (6,438,435)	\$ (6,438,436)	\$ (6,438,437)	\$ (6,438,438)	\$ (6,438,439)	\$ (266,673,060)
Funding Shortfall	\$ (1,324,691)	\$ (1,338,855)	\$ (1,348,047)	\$ (1,360,348)	\$ (1,375,860)	\$ (7,873,995)
<b>Reserve Balances</b>						
SANDAG Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,162,927
Interest on SANDAG Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,978,174
Excess Toll Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,473,547
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,614,647)
SANDAG Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,721,000
Caltrans Reserve Used for Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,721,000)
Caltrans Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 3  
Non-Bonding Option

	FY99	FY00	FY01	FY02	Total
SANDAG Reserve Balance	\$ 23,162,927	\$ 25,814,752	\$ 30,749,840	\$ 366,108	
Caltrans Reserve Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	
Annual Revenue					
Toll Revenue	\$ 5,764,000	\$ 5,823,000	\$ 5,881,000	\$ 5,940,000	\$ 23,408,000
Interest Earnings					
SANDAG Toll Reserve	\$ 1,469,330	\$ 1,696,938	\$ 10,983	\$ 30,718	\$ 3,207,969
Caltrans Reserve	\$ 432,495	\$ 291,150	\$ 90,285	\$ -	\$ 813,930
Interest Earnings Subtotal	\$ 1,901,825	\$ 1,988,088	\$ 101,268	\$ 30,718	\$ 4,021,899
Annual Revenue Subtotal	\$ 7,665,825	\$ 7,811,088	\$ 5,982,268	\$ 5,970,718	\$ 27,429,899
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	
Total Available Revenue	\$ 7,665,825	\$ 7,811,088	\$ 5,982,268	\$ 5,970,718	\$ 27,429,899
Annual Bridge Expenses					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Operations	\$ 3,014,000	\$ 2,876,000	\$ 2,939,000	\$ 3,004,000	\$ 11,833,000
Caltrans Capital Projects	\$ 1,025,500	\$ 3,686,000	\$ 3,436,500	\$ 2,675,000	\$ 10,823,000
SANDAG Retrofit Contribution	\$ -	\$ -	\$ 33,000,000	\$ -	\$ 33,000,000
Toll Program of Projects (POP)	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
Annual Bridge Expenses	\$ 6,039,500	\$ 6,562,000	\$ 39,375,500	\$ 5,679,000	\$ 57,656,000
Revenue Schedule					
Caltrans Reserve	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ (7,721,000)
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (30,394,715)	\$ -	\$ (30,394,715)
Toll Revenue and Caltrans Interest Earnings	\$ (5,014,000)	\$ (2,876,000)	\$ (5,971,285)	\$ (5,679,000)	\$ (19,540,285)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (6,039,500)	\$ (6,562,000)	\$ (39,375,500)	\$ (5,679,000)	\$ (57,656,000)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances					
SANDAG Beginning Balance	\$ 23,162,927	\$ 25,814,752	\$ 30,749,840	\$ 366,108	\$ 23,162,927
Interest on SANDAG Reserve	\$ 1,469,330	\$ 1,696,938	\$ 10,983	\$ 30,718	\$ 3,207,969
Excess Toll Revenue	\$ 1,182,495	\$ 3,238,150	\$ -	\$ 261,000	\$ 4,681,645
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (30,394,715)	\$ -	\$ (30,394,715)
SANDAG Ending Balance	\$ 25,814,752	\$ 30,749,840	\$ 366,108	\$ 657,826	\$ 657,826
Caltrans Reserve Beginning Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	\$ 7,721,000
Caltrans Reserve Used for Capital Projects	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ (7,721,000)
Caltrans Reserve Ending Balance	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -

**Table 4**  
**Increase Toll Option**

	FY99	FY00	FY01	FY02	FY03	FY04	FY05
SANDAG Reserve Balance	\$ 23,162,927	\$ 25,814,752	\$ 32,296,232	\$ 3,506,718	\$ 7,884,454	\$ 12,680,399	\$ 17,764,754
Caltrans Reserve Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -
Annual Revenue							
Toll Revenue	\$ 5,764,000	\$ 8,823,000	\$ 8,881,000	\$ 8,940,000	\$ 8,999,000	\$ 9,059,000	\$ 9,067,895
Interest Earnings							
SANDAG Toll Reserve	\$ 1,469,330	\$ 1,743,330	\$ 105,202	\$ 341,735	\$ 616,946	\$ 913,355	\$ 1,224,444
Caltrans Reserve	\$ 432,495	\$ 291,150	\$ 90,285	\$ -	\$ -	\$ -	\$ -
Interest Earnings Subtotal	\$ 1,901,825	\$ 2,034,480	\$ 195,487	\$ 341,735	\$ 616,946	\$ 913,355	\$ 1,224,444
Annual Revenue Subtotal	\$ 7,665,825	\$ 10,857,480	\$ 9,076,487	\$ 9,281,735	\$ 9,615,946	\$ 9,972,355	\$ 10,292,339
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Available Revenue	\$ 7,665,825	\$ 10,857,480	\$ 9,076,487	\$ 9,281,735	\$ 9,615,946	\$ 9,972,355	\$ 10,292,339
Annual Bridge Expenses							
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Operations	\$ 3,014,000	\$ 2,876,000	\$ 2,939,000	\$ 3,004,000	\$ 3,070,000	\$ 3,138,000	\$ 3,207,036
Caltrans Capital Projects	\$ 1,025,500	\$ 3,686,000	\$ 3,436,500	\$ 400,000	\$ 250,000	\$ 250,000	\$ 300,000
SANDAG Retrofit Contribution	\$ -	\$ -	\$ 33,000,000	\$ -	\$ -	\$ -	\$ -
Toll Program of Projects (POP)	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Annual Bridge Expenses	\$ 6,039,500	\$ 8,062,000	\$ 40,875,500	\$ 4,904,000	\$ 4,820,000	\$ 4,888,000	\$ 5,007,036
Revenue Schedule							
Caltrans Reserve	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (28,894,715)	\$ -	\$ -	\$ -	\$ -
Toll Revenue and Caltrans Interest Earnings	\$ (5,014,000)	\$ (4,376,000)	\$ (8,971,285)	\$ (4,904,000)	\$ (4,820,000)	\$ (4,888,000)	\$ (5,007,036)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (6,039,500)	\$ (8,062,000)	\$ (40,875,500)	\$ (4,904,000)	\$ (4,820,000)	\$ (4,888,000)	\$ (5,007,036)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances							
SANDAG Beginning Balance	\$ 23,162,927	\$ 25,814,752	\$ 32,296,232	\$ 3,506,718	\$ 7,884,454	\$ 12,680,399	\$ 17,764,754
Interest on SANDAG Reserve	\$ 1,469,330	\$ 1,743,330	\$ 105,202	\$ 341,735	\$ 616,946	\$ 913,355	\$ 1,224,444
Excess Toll Revenue	\$ 1,182,495	\$ 4,738,150	\$ -	\$ 4,036,000	\$ 4,179,000	\$ 4,171,000	\$ 4,060,859
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (28,894,715)	\$ -	\$ -	\$ -	\$ -
SANDAG Ending Balance	\$ 25,814,752	\$ 32,296,232	\$ 3,506,718	\$ 7,884,454	\$ 12,680,399	\$ 17,764,754	\$ 23,050,057
Caltrans Reserve Beginning Balance	\$ 7,721,000	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Used for Capital Projects	\$ (1,025,500)	\$ (3,686,000)	\$ (3,009,500)	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Ending Balance	\$ 6,695,500	\$ 3,009,500	\$ -	\$ -	\$ -	\$ -	\$ -

**Table 4**  
**Increase Toll Option**


	FY06	FY07	FY08	FY09	FY10	FY11	FY12
SANDAG Reserve Balance	\$ 23,050,057	\$ 28,507,090	\$ 34,144,941	\$ 40,064,984	\$ 46,282,819	\$ 52,814,973	\$ 59,678,950
Caltrans Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Revenue							
Toll Revenue	\$ 9,087,909	\$ 9,107,989	\$ 9,128,136	\$ 9,148,349	\$ 9,168,628	\$ 9,188,975	\$ 9,209,389
Interest Earnings							
SANDAG Toll Reserve	\$ 1,546,714	\$ 1,879,561	\$ 2,226,298	\$ 2,590,434	\$ 2,972,934	\$ 3,374,818	\$ 3,797,167
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings Subtotal	\$ 1,546,714	\$ 1,879,561	\$ 2,226,298	\$ 2,590,434	\$ 2,972,934	\$ 3,374,818	\$ 3,797,167
Annual Revenue Subtotal	\$ 10,634,623	\$ 10,987,550	\$ 11,354,434	\$ 11,738,783	\$ 12,141,562	\$ 12,563,793	\$ 13,006,556
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Available Revenue	\$ 10,634,623	\$ 10,987,550	\$ 11,354,434	\$ 11,738,783	\$ 12,141,562	\$ 12,563,793	\$ 13,006,556
Annual Bridge Expenses							
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Operations	\$ 3,277,591	\$ 3,349,698	\$ 3,423,391	\$ 3,498,706	\$ 3,575,677	\$ 3,654,342	\$ 3,734,738
Caltrans Capital Projects	\$ 400,000	\$ 500,000	\$ 511,000	\$ 522,242	\$ 533,731	\$ 545,473	\$ 557,474
SANDAG Retrofit Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Program of Projects (POP)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Annual Bridge Expenses	\$ 5,177,591	\$ 5,349,698	\$ 5,434,391	\$ 5,520,948	\$ 5,609,408	\$ 5,699,815	\$ 5,792,212
Revenue Schedule							
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Revenue and Caltrans Interest Earnings	\$ (5,177,591)	\$ (5,349,698)	\$ (5,434,391)	\$ (5,520,948)	\$ (5,609,408)	\$ (5,699,815)	\$ (5,792,212)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (5,177,591)	\$ (5,349,698)	\$ (5,434,391)	\$ (5,520,948)	\$ (5,609,408)	\$ (5,699,815)	\$ (5,792,212)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances							
SANDAG Beginning Balance	\$ 23,050,057	\$ 28,507,090	\$ 34,144,941	\$ 40,064,984	\$ 46,282,819	\$ 52,814,973	\$ 59,678,950
Interest on SANDAG Reserve	\$ 1,546,714	\$ 1,879,561	\$ 2,226,298	\$ 2,590,434	\$ 2,972,934	\$ 3,374,818	\$ 3,797,167
Excess Toll Revenue	\$ 3,910,318	\$ 3,758,291	\$ 3,693,745	\$ 3,627,401	\$ 3,559,220	\$ 3,489,160	\$ 3,417,177
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SANDAG Ending Balance	\$ 28,507,090	\$ 34,144,941	\$ 40,064,984	\$ 46,282,819	\$ 52,814,973	\$ 59,678,950	\$ 66,893,295
Caltrans Reserve Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Used for Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caltrans Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Table 4**  
**Increase Toll Option**

	FY13	FY14	FY15	FY16	Totals
SANDAG Reserve Balance	\$ 66,893,295	\$ 74,477,653	\$ 82,452,840	\$ 47,954,314	
Caltrans Reserve Balance	\$ -	\$ -	\$ -	\$ -	
Annual Revenue					
Toll Revenue	\$ 9,229,870	\$ 9,250,419	\$ 9,271,035	\$ 9,291,720	\$ 160,616,314
Interest Earnings					
SANDAG Toll Reserve	\$ 4,241,128	\$ 4,707,915	\$ 3,912,215	\$ 3,062,405	\$ 40,725,930
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ 813,930
Interest Earnings Subtotal	\$ 4,241,128	\$ 4,707,915	\$ 3,912,215	\$ 3,062,405	\$ 41,539,860
Annual Revenue Subtotal	\$ 13,470,998	\$ 13,958,334	\$ 13,183,250	\$ 12,354,125	\$ 202,156,174
Bond Revenue/Commercial Paper	\$ -	\$ -	\$ -	\$ -	
Total Available Revenue	\$ 13,470,998	\$ 13,958,334	\$ 13,183,250	\$ 12,354,125	\$ 202,156,174
Annual Bridge Expenses					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Operations	\$ 3,816,902	\$ 3,900,874	\$ 3,986,693	\$ 4,074,400	\$ 61,541,048
Caltrans Capital Projects	\$ 569,738	\$ 582,272	\$ 42,195,082	608,174	56,873,188
SANDAG Retrofit Contribution	-	-	-	-	\$ 33,000,000
Toll Program of Projects (POP)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 27,500,000
Annual Bridge Expenses	\$ 5,886,640	\$ 5,983,146	\$ 47,681,775	\$ 6,182,574	\$ 178,914,236
Revenue Schedule					
Caltrans Reserve	\$ -	\$ -	\$ -	\$ -	\$ (7,721,000)
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (38,410,740)	\$ -	\$ (67,305,455)
Toll Revenue and Caltrans Interest Earnings	\$ (5,886,640)	\$ (5,983,146)	\$ (9,271,035)	\$ (6,182,574)	\$ (103,887,781)
Bond/Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Drawdown	\$ (5,886,640)	\$ (5,983,146)	\$ (47,681,775)	\$ (6,182,574)	\$ (178,914,236)
Funding Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balances					
SANDAG Beginning Balance	\$ 66,893,295	\$ 74,477,653	\$ 82,452,840	\$ 47,954,314	\$ 23,162,927
Interest on SANDAG Reserve	\$ 4,241,128	\$ 4,707,915	\$ 3,912,215	\$ 3,062,405	\$ 40,725,930
Excess Toll Revenue	\$ 3,343,230	\$ 3,267,273	\$ -	\$ 3,109,146	\$ 57,542,463
SANDAG Reserve Used for Bridge Costs	\$ -	\$ -	\$ (38,410,740)	\$ -	\$ (67,305,455)
SANDAG Ending Balance	\$ 74,477,653	\$ 82,452,840	\$ 47,954,314	\$ 54,125,865	\$ 54,125,865
Caltrans Reserve Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ 7,721,000
Caltrans Reserve Used for Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ (7,721,000)
Caltrans Reserve Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

March 18, 1999

TO: SANDAG Board of Directors

FROM: Debra A. Greenfield, General Counsel 

SUBJECT: California Environmental Quality Act (CEQA) Issues San Diego- Coronado Bay Bridge Financial and Program Related Actions

Over the last year, the Board has been preparing to meet its financial obligations under § 30796.9 of the Streets and Highways Code to pay the state mandated local share (\$33M) for costs for seismic retrofit of the San Diego-Coronado Bay Bridge by July 1, 2000. (See General Counsel's memorandum to the Board dated March 9, 1999, Attachment 3.) The financial plan first approved by the Board in 1997 and updated in this staff report provides alternatives for the Board to consider to meet its financial obligation.

The following analysis is intended to assist the Board in understanding the various requirements for CEQA compliance for possible financial actions relating to the bridge. Also attached is a sample resolution for possible future action which should be reviewed by the Board. The resolution indicates how action to eliminate the toll in reliance on a statutory exemption under CEQA could be implemented. If the Board determines that an Environmental Impact Report (EIR) should be prepared, the staff should be directed to publish the requisite notices and take the appropriate actions to cause the preparation of an EIR.<sup>1</sup> (See attached resolution.)

Summary Conclusions:

- As we indicated in the December 1998 memorandum to the Board, the statutory exemption for rate, toll, and fare changes can properly be applied to the action to eliminate the toll;
- If SANDAG chooses not to rely on the statutory exemption, then SANDAG should prepare an EIR;

---

<sup>1</sup> The City of Coronado has argued in a letter to the Board dated February 24, 1999, that a complete CEQA process is required prior to the SANDAG Board taking action on a Financing Plan funding option which eliminates or reduces the toll and/or eliminates or reduces the mitigation program of projects. In another letter to the Board in November 1998, the City indicates that a full Environmental Impact Report (EIR) is required to satisfy SANDAG's responsibilities under CEQA, and the City has indicated in response to SANDAG Counsel's memorandum to the Board in December 1998 that, "the City of Coronado would be justified in mounting a legal challenge to any declaration of 'statutory exemption' from CEQA."

Coronado has also sponsored legislation SB 664 (Alpert) which is currently a "spot bill" introduced on 2/24/99 dealing with the San Diego-Coronado Bridge.

- SANDAG's receipt and distribution of the Financial Plan Update ("the Update") does not constitute a "project" under CEQA if it does not commit SANDAG to toll removal; and
- SANDAG's failure to propose or act on the program of projects does not constitute a "project" under CEQA. A "project" presumes governmental action, not governmental inaction.

## Discussion

### I. Toll Removal

#### A. *A Strong Argument Favors Finding Toll Removal Statutorily Exempt from CEQA.*

Eliminating the toll is a "project" pursuant to CEQA. (Public Resources Code § 21065; CEQA Guidelines § 15378.)

To qualify for this exemption, the agency *must* find that the action satisfies one of five purposes:

1. Meeting operating expenses;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects necessary to maintain service within existing service areas; or
5. Obtaining funds necessary to maintain any intra-city transfers authorized by city charter. (CEQA Guidelines § 15273(a).)

The toll removal qualifies for this statutory exemption for the following reasons. It allows SANDAG to satisfy its obligation to fund Caltrans' operating expenses. (Purpose No. 1.) The project also enables SANDAG to use its available reserve funds and revenues to satisfy its financial obligations without resorting to debt financing. (Purpose No. 3.) In addition, toll removal eliminates the possibility that SANDAG will fund bridge rehabilitation or other projects requiring SANDAG to raise the toll or rebond the bridge. Such actions would negatively impact SANDAG's financial reserve requirements. (Purpose No. 3.) And, toll elimination allows SANDAG to satisfy its obligation to Caltrans for capital projects. (Purpose No. 4.)

Unlike other statutory exemptions, when a project is found to be exempt pursuant to the rate, toll, fare change exemption, the agency *must* incorporate *written findings* in the record of any proceeding in which the exemption is claimed, specifically setting forth the basis for the claim of the exemption. (Public Resource Code § 21080(b)(8); CEQA Guidelines § 15273(c).)

Coronado has raised arguments against proceeding under this statutory exemption, and indicated that it would challenge SANDAG's reliance on this exemption.



However, we believe there is substantial evidence to support the fit of the statutory exemption. Should the court set aside SANDAG's determination, SANDAG would have to start the CEQA process anew.

*B. CEQA Does Not Contain A Fixed Procedure For Approving Exempt Projects.*

CEQA does not require public agencies to follow any specific procedure in approving exempt activities or in notifying the public or other agencies. SANDAG need not provide an opportunity to review or comment on the exemption, and it need not hold a hearing on the exemption determination. (See CEQA Guidelines §§ 15061-15062.) However, SANDAG is required to hold a public hearing prior to modifying the toll. (Streets and Highways Code § 30796.7(a).)

*C. If The Statutory Exemption Is Not Used, SANDAG Should Prepare An EIR Rather Than A Mitigated Negative Declaration (MND) Due To Likely Difficulties In Obtaining Coronado's Agreement To The Proposed Mitigation Measures.*

If the Board chooses not to rely on the statutory exemption option, it must then consider whether to proceed with a MND or an EIR. The standard for legal adequacy of a MND is more demanding than for an EIR. An EIR must be prepared any time the lead agency determines that it can be fairly argued, based on substantial evidence, in light of the whole record, that a project may have a significant effect on the environment. (Public Resource Code §§ 21080(d), 21082.2(d).) A MND may be prepared if the initial study identifies a potentially significant effect for which the project's proponent makes or agrees to make project revisions that mitigate the effects.<sup>2</sup> A MND may not be used if any substantial evidence indicates that the project may have a significant environmental effect. (Public Resource Code § 21064.5; CEQA Guidelines § 15070.)

Proceeding with a MND will be problematic for SANDAG if Coronado and Caltrans will not agree to implement the requisite improvements necessary to mitigate the project's impacts on traffic. Given its opposition to toll removal and its previous requests for a full EIR, it is likely that Coronado will not agree.

Under these circumstances, SANDAG should prepare an EIR rather than proceed with a MND. Within the EIR context, if Coronado or Caltrans withheld support of the mitigation measures, SANDAG may find that the mitigation measures are legally infeasible and approve the project with a Statement of Overriding Considerations.<sup>3</sup> The drawbacks to preparing an EIR are practical ones, namely time and money. Staff estimates an EIR could take up to nine months to prepare and circulate for public review.

<sup>2</sup> Agreement on the project revisions must occur prior to SANDAG releasing the proposed negative declaration for public review and comment.

<sup>3</sup> A Statement of Overriding Considerations is a written statement explaining why a public agency is approving a project with unavoidable significant environmental impacts. (Public Resources Code § 21081; CEQA Guidelines § 15093.)

## II. Financial Plan Update

### *A. If Action To Receive The Update Does Not Bind SANDAG To The Toll Removal, It Is Not A CEQA Project.*

CEQA Guidelines § 15378(b) excludes certain activities from the definition of a "project," including the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment. (CEQA Guidelines § 15378(b)(5).) If the Update simply sets forth financial options available to SANDAG to meet its financial obligations and does not commit SANDAG to the toll removal, it can be objectively characterized as a governmental fiscal plan and would not constitute a CEQA project pursuant to CEQA Guidelines § 15378(b)(5). If SANDAG makes the determination that receipt of the Update is not a CEQA project, the agency may file a notice of exemption and no further action to comply with CEQA is required.

However, once the Board takes action that commits to the toll removal, that action would be a project subject to CEQA.

Coronado has indicated that they will raise a CEQA challenge to adoption of the Update based on the notion that SANDAG is impermissibly "segmenting" or "piecemealing" the project.

### *B. Even If Receipt Of The Update Was A "Project," If It Does Not Bind SANDAG To Toll Removal, It Is Statutorily Exempt Pursuant To The Feasibility And Future Planning Studies Exemption.*

Feasibility and future planning studies *that will not have a legally binding effect on later activities* are statutorily exempt. (Public Resource Code § 21102; CEQA Guidelines § 15262.) If the Update simply sets forth financing options available to SANDAG to meet its financial obligations to the State, it constitutes a feasibility or future planning study and it is statutorily exempt.

## III. Program of Projects

### *A. SANDAG's Failure To Propose Or Act On The Program of Projects Does Not Constitute A CEQA Project.*

Coronado alleges that SANDAG's failure to propose and/or fund the program of projects is a "project" triggering CEQA. The definition of a "project" for purposes of CEQA presumes governmental action. The basis of a claim against SANDAG for failing to act on the program of projects would be based on *inaction*. There is no authority to support CEQA's application to governmental inaction. SANDAG's failure to fund the program of projects may indirectly result in elimination of an ongoing program. However, it is not SANDAG's action that will result in the elimination of a program. MTDB and Coronado administer the program; independent action by them is required to eliminate a program. (*See City of National City v. State of California*

(1983) 140 Cal.App.3d.598,602 [Transportation Commission's recission of freeway location is a failure to exercise power and not action subject to CEQA].)

An activity that will have economic effects without any physical effects on the environment is not subject to CEQA. (CEQA Guidelines § 15064(f).) SANDAG's failure to act on the program of projects will simply result in the elimination of a funding source.

#### **IV. Conclusion**

A strong argument can be made that the toll removal project is exempt from CEQA pursuant to the statutory exemption for rate, toll and fare changes. To be defensible, the Board must make written findings, supported by substantial evidence in the record, that the toll removal project satisfies at least one of the five enumerated purposes for the exemption.

Should the Board not choose the statutory exemption option, we recommend SANDAG prepare an EIR as opposed to a MND. If challenged, the legal standard of review for an EIR is more favorable to SANDAG than the standard applied by the courts to a MND. In addition, a MND is viable only if Coronado and Caltrans agree to incorporating traffic mitigation measures into the project description.

# **SAMPLE ONLY**

RESOLUTION No. \_\_\_\_

**RESOLUTION AUTHORIZING ELIMINATION OF THE TOLL  
ON THE SAN DIEGO-CORONADO BRIDGE IS STATUTORILY EXEMPT  
FROM THE CALIFORNIA ENVIRONMENTAL EQUALITY ACT ("CEQA")  
PURSUANT TO THE EXEMPTION FOR SETTING, MODIFICATION, STRUCTURING,  
OR RESTRUCTURING OF RATES, TOLLS, FARES, OR CHARGES**

WHEREAS, SANDAG is vested with the authority to impose or eliminate tolls on the San Diego-Coronado Bridge pursuant to Streets & Highways Code § 30796.7; and

WHEREAS, so long as SANDAG imposes a toll on the San Diego-Coronado Bridge, it must reimburse the California Department of Transportation ("Caltrans") for costs incurred by Caltrans in operating the bridge, collecting the tolls, and other services, pursuant to Streets & Highways Code § 30796.7(g); and

WHEREAS, Streets & Highways Code §§ 30796.9(a) and (b) require SANDAG to deposit \$33,000,000 into the Toll Bridge Seismic Retrofit Account in the State Transportation Fund on or before July 1, 2000; and

WHEREAS, the California Environmental Equality Act ("CEQA") (Public Resources Code § 21080(b)(8) and 14 California Code of Regulations ("CEQA Guidelines") § 15273) provides a statutory exemption for "the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies" that are not designed to increase services or expand a system, and which the public agency finds are for the purpose of:

- (1) Meeting operating expenses;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain any intra-city transfers authorized by city charter; and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge allows SANDAG to satisfy its obligations to pay Caltrans' operating and capital requirements and the \$33,000,000 seismic retrofit project by July 1, 2000; and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge allows SANDAG to satisfy its financial obligation to fund Caltrans' operating expenses, including but not limited to personnel charges (Purpose No. 1); and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge enables SANDAG to use its available reserve funds and other revenues to satisfy its financial obligation of \$33,000,000 to Caltrans without resorting to debt financing (Purpose No. 3); and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge eliminates the possibility that SANDAG will have to fund bridge rehabilitation or other projects requiring SANDAG to raise the toll or rebond the bridge which would negatively impact SANDAG's financial reserve requirements (Purpose No. 3); and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge allows SANDAG to satisfy its financial obligation to Caltrans for capital projects, including the Timber Fender System, Traveling Scaffold, Bridge Pier Elevators, and other minor projects (Purpose No. 4); and

WHEREAS, SANDAG finds that eliminating the toll on the San Diego-Coronado Bridge is not designed to increase services or expand a system; and

WHEREAS, the SANDAG Board held a duly noticed public hearing on \_\_\_\_\_ and considered a staff report and all written and oral testimony relating to the elimination of the toll on the San Diego-Coronado Bridge; NOW THEREFORE

BE IT RESOLVED by the SANDAG Board of Directors that the foregoing recitals are true and correct.

BE IT FURTHER RESOLVED by the SANDAG Board of Directors that SANDAG's action to eliminate the toll on the San Diego-Coronado Bridge is statutorily exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines § 15273, the exemption for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies that are not designed to increase services or expand a system, and which the public agency finds are for the purpose of:

- (1) Meeting operating expenses;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain any intra-city transfers authorized by city charter.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
CHAIRPERSON

ATTEST: \_\_\_\_\_  
SECRETARY

RESOLUTION No. \_\_\_\_\_

**AUTHORIZING THE EXECUTIVE DIRECTOR  
TO ENTER INTO AGREEMENTS FOR  
PROFESSIONAL SERVICES AS NEEDED TO  
PREPARE AN ENVIRONMENTAL IMPACT REPORT  
FOR THE REMOVAL OF TOLLS  
ON THE SAN DIEGO-CORONADO BRIDGE**

WHEREAS, Senate Bill 122 (Chapter 2, Statutes of 1992) established SANDAG as the toll authority for the San Diego-Coronado Bridge; and

WHEREAS, SANDAG desires to consider the environmental impacts of potential removal of the toll on the San Diego-Coronado Bridge; and

WHEREAS, SANDAG desires to conduct an Environmental Impact Report to evaluate the impacts of toll removal; NOW THEREFORE

BE IT RESOLVED that the Board of Directors authorizes the Executive Director enter into agreements for consultant assistance, legal advice and other professional services as may be necessary to conduct an Environmental Impact Report of the potential toll removal on the San Diego-Coronado Bridge at a cost not to exceed \$50,000.

PASSED AND ADOPTED this 26<sup>th</sup> day of March,

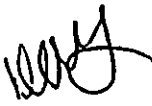


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March 9, 1999

TO: Board of Directors

FROM: Debra A. Greenfield, General Counsel 

SUBJECT: San Diego-Coronado Bridge Issues

Introduction

At the February 1999 Board of Directors meeting, we agreed to provide legal advice in response to the letter from the Mayor of the City of Coronado to the Board dated February 24, 1999, in which the City raised policy and legal issues related to the Board's responsibility for San Diego-Coronado Bridge toll administration. The legal issues raised by Coronado are indicated in bold.

This memorandum also indicates that additional advice concerning CEQA issues will be provided later this month with the March Board agenda.

Legal Issues

1. The \$11.3 million of toll revenues, transferred in 1994 from the State to SANDAG may not be used to satisfy the local obligation to pay for retrofit.

Response: Over \$11.3 million in toll revenues has already been spent for the local programs of projects. Even if that was not the case, all funds in the toll bridge revenue account are available to pay the local share of the cost for retrofit.

Discussion: In 1994, \$11.3 million in toll bridge revenue funds were transferred from the State to SANDAG. The funds transferred in 1994 and the revenues added since that time are held in reserve in a single fund for eligible expenditures. To date, SANDAG has allocated over \$15.9 million from the fund for the local program of projects. In addition, notwithstanding the fact that the funds have been spent for such projects, the determination to spend any bridge toll revenues for the local program of projects has been, and continues to be an option, not a mandate. (See Streets and Highways Code Section 30796.7(c)(2).) [The revenues from any tolls on the bridge "may" also be used for the local program of projects.]



Also, Coronado argues that \$11.3 million should now be earmarked and not available for retrofit. This argument is not supported by law, and simply ignores what the Board has already spent to support years of toll funded programs of projects.

**2. The Board is limited to spending only \$10 million from the toll reserves for retrofit.**

**Response:** Section 30796.9(d) of the Streets and Highways Code clearly provides the Board the option to spend more than \$10 million from toll reserves to pay the local share of the cost for retrofit.

**Discussion:** The City takes the position that AB 1302 (Wayne) (Chapter 777, Statutes of 1997) limits the amount of toll reserves that can be used to fund the \$33 million local obligation for retrofit to \$10 million. In explaining its position the City paraphrases the pertinent statute. In doing so the City fails to include very important language which is underlined below.

Section 30796.9(d) states,

"Of the thirty-three million dollars (\$33,000,000) in local funds to be paid by the San Diego Association of Governments as the local toll authority for the San Diego Coronado Bridge, not less than ten million dollars (\$10,000,000) shall be paid from local toll revenue reserve funds . . ."

The legislature clearly provided the option for SANDAG to spend more than \$10 million to pay for retrofit. In fact, the Board was also provided an option, but was not mandated, to issue toll bridge revenue bonds to finance any amount above \$10 million. (Streets and Highways Code Sections 30796.9(d) and 30796.10.) The legislature would have needed to mandate SANDAG to use debt financing if the legislature had indeed intended to limit the amount to be paid from the reserves.

**3. Any funding option which eliminates or reduces the toll and/or eliminates or reduces the mitigation program of projects requires a complete CEQA process.**

**Response:** The Board must comply with CEQA as applicable on decisions relating to its responsibilities in administering the toll bridge revenues.

**Discussion:** By a previous memorandum dated December 18, 1998 we advised the Board that there are two statutory exemptions from CEQA which apply to actions on the toll funded program of projects and the action to eliminate the toll. At the December meeting the City of Coronado's response indicated that a full Environmental Impact Report was required. At the conclusion of the item, the Board directed staff, on a voluntary basis, notwithstanding the applicability of the exemptions, to commence the preparation of an Initial Study.

At the February meeting, the Board directed that the Initial Study be distributed to the Board at the March meeting. The Initial Study and the legal options the Board should consider for purposes of CEQA compliance will be provided with the March Board agenda.

In addition, the February Board report suggested that for a Non-Bonding financial option to be implemented, no further toll supported program of projects could be considered. Coronado raises this as a CEQA issue. We will also review this issue with the Board as part of the CEQA analysis to be included with the March Board agenda.

For purposes of clarification, and in preparation for the March Board item, two points should be noted. First, it should be recognized that if SANDAG takes no action on a program of projects, the final decision on continuation or modification of programs which have been subsidized with bridge toll revenues will be made by the applicants, MTDB and the City of Coronado. Second, it should be understood, that the projects in the local program of projects referred to as "mitigation" projects by the City of Coronado, are not mitigation projects for purposes of CEQA or for any other legally required purpose.

## **Annual Toll-Funded Program of Projects Status and Future Funding Options**

### **Background**

The information provided in this attachment is intended to respond to the various questions and issues raised at the February Board meeting. While the majority of the questions were related to the alternative mode services funded through the annual toll-funded program of projects, there were other more general questions related to bridge usage and toll collections, with the responses summarized below:

**Bridge Usage:** Based on information from Caltrans' FY98 Annual Financial Statement, a total of 12.1 million vehicles crossed the Bridge in the westbound (paying) direction during that fiscal year. Of this total, only 3.1 million vehicles (25.4%) paid the full toll (\$1.00 for 2-axle vehicles, higher for trucks), while 4.4 million vehicles (36.4%) used commute ticket books (\$0.60) and 4.6 million vehicles (38.2%) used the free carpool lane. With just under \$6 million in toll revenues collected, the average toll per vehicle in FY98 was \$0.49.

**Toll History:** Figure 1 presents a graph showing the average toll collected over time as various changes were made in toll policy. When the bridge was first opened in 1969, the toll was \$1.20 with no discounts or free passage allowed. With adjustments for inflation, that \$1.20 toll in 1969 was equivalent to a \$5.72 toll in today's dollars. The "real" toll reductions which have taken place as a result of inflation, the implementation of the commute ticket books, and the initiation of the free carpool lane, have had the practical effect of reducing the toll by over 90%. To the extent that the economic impact of a toll has an effect on travel patterns, the majority of the potential increased traffic resulting from reducing the toll already has been absorbed.

**Alternative Mode Usage:** The Toll Removal Impact Study accepted by the Board in December estimated the reduction in total daily ridership and vehicle trips resulting from the annual toll-funded program of projects. The bus services, commuter ferry operations, and vanpool and bicycle programs funded by bridge tolls were estimated to be carrying about 3300 riders per day based on FY99 projections from the service providers, not actual counts. The consultants estimated that, if these services were to be eliminated entirely, a total of 2700 vehicle trips would be added to the bridge traffic. Based on Caltrans' average daily traffic estimate of 73,200 on the bridge, this could result in a 3.6% increase in total traffic. In reality, the services would not be eliminated entirely, so the consultant's estimates of impact ranged from 0-2700 additional trips. The following sections discuss the alternative mode services in more detail.

### **FY99 Toll-Funded Program of Projects**

For the current fiscal year, SANDAG has allocated a total of \$1,998,610 in toll revenues for the following programs and services:

**MTDB Administered Projects:**

• Extra Peak Period Trips on Route 901	\$375,000
• Extra Peak Period Trips on Route 933/934	\$200,000
• Peak Period Trips on Route 19	\$85,000
• Coronado Shuttle – Route 904	\$175,000
• Transit Pass Subsidies	<u>\$300,000</u>
MTDB Total	\$1,135,000

**City of Coronado/Coronado Transportation Management Association (TMA) Projects:**

• Commuter Ferry Services	\$218,610
• Coronado Trip Reduction Program	
TMA Operations	\$164,000
Vanpool Program and Subsidies	\$240,000
Bicycle Program	\$5,000
Guaranteed Ride Home	\$13,000
Military Outreach	\$65,000
Coaster Pass Subsidies	\$6,500
Clean Air Awareness	<u>\$31,500</u>
Coronado Total	\$743,610

**SANDAG Administered Activities:**

• SANDAG Administration	\$50,000
• Toll Removal Impact Study	<u>\$70,000</u>
SANDAG Total	\$120,000

When the FY99 annual program of projects was approved, there was substantial discussion that FY99 could be the last year of toll funding for these projects and that MTDB and the City of Coronado would be evaluating the programs and seeking alternative funding for those services to be continued in the future. The FY99 program also provided transitional funding for two programs. The MTDB Route 19 trips were reduced and shifted to other funding sources during the year. The pass subsidy program also was phased out in FY99. A total of approximately \$1.5 million per year would be required to continue the remaining programs in the future.

The Toll Removal Impact Study included a funding matrix (attached) which summarized various alternative funding sources for these programs should the toll revenue funding not be continued. The status of the major toll funded projects and the potential of alternative funding is discussed in more detail in following sections. In general, it is clear that other funding options are available and that the elimination of toll funding for these programs does not mean that the programs will be eliminated.

## **MTDB Bus Programs**

As described above, MTDB is the largest recipient of toll funding through the annual program of projects with a total of over \$1.1 million for bus services in the current fiscal year. Based on the estimates used in the Toll Removal Impact Study, about 2,200 daily riders use these services, or about two-thirds of the total ridership from all of the services funded by toll revenues.

If the toll funding were to be discontinued, MTDB would have to consider the availability of other operating funds for these services. The largest source of operating subsidies is the Transportation Development Act (TDA). As presented to the Board last month in the annual TDA apportionment schedule for FY 2000, the TDA funds available to the region have increased by 12.4% over the current year. The increase in MTDB's share of these funds is more than sufficient to cover the costs of the toll-funded bus services.

MTDB staff is currently developing its budget for FY 2000 with an assumption of no toll revenue. The cost-effectiveness and productivity of all MTDB area services, including those currently being funded with toll revenues, are being evaluated as part of the budgeting process. Most of the toll-funded services have proven to be productive, and it is likely that much of the service would be retained and funded through MTDB's other operating resources if the toll funding were to be eliminated. It is a priority choice for MTDB in deciding which services will be included in its operating budget for next year.

## **Vanpool Programs**

There are currently 43 vanpools being operated through the Coronado TMA which receive a double subsidy through both the SANDAG regional vanpool program and the toll-funded vanpool program. A total of 141 vanpools are funded through the SANDAG vanpool program, including the 43 vanpools, which serve NAS North Island. SANDAG subsidizes each vanpool at a flat rate of \$300 per month. The total lease costs range from \$700 to \$1,770 per month depending on the type of van and the distance traveled each day. The remaining costs are borne by the vanpool members (groups of seven to fifteen members).

The Coronado TMA uses toll revenues (\$240,000 in FY99) to further subsidize the vanpools up to 75% of the monthly lease costs. The additional toll-funded subsidies range from \$210 to \$750, with an average monthly subsidy of \$476. Based on information provided by the City of Coronado for the first half of FY99, daily ridership on the vanpools has been averaging 380, which is somewhat lower than the 550 per day estimated from forecasts for the Toll Removal Impact Study.

As shown on the attached funding matrix, there are alternative funding options available such as funding through the APCB AB 2766 registration fee program or local sources such as an increase in the City of Coronado's transient occupancy tax. However, even if no other revenue sources were obtained, the 43 vanpools serving Coronado would still be subsidized through the SANDAG program. There are 98 vanpools operating very successfully in other parts of the region with this reduced subsidy level. With over half of the Coronado vanpools operating with a daily round-trip in excess of 100 miles, it is likely that many of the vanpools would continue to

operate if the toll funding were to be discontinued. Of the vanpools that do break up, some members may form carpools instead, lessening the potential impact on additional bridge traffic.

### **Commuter Ferry Services**

The toll-funded commuter ferry services were allocated nearly \$220,000 in FY99. A total of 15 trips are provided each day (8 in the morning and 7 in the afternoon) over two routes. No fare is charged. In the Toll Removal Impact Study, the daily ridership in FY99 was estimated at 350 based on projections; however, actual counts for July through December 1998 have averaged about 220 per day.

While alternative sources of operating revenue may be more difficult to obtain for the ferry operations because they are not normally considered as traditional transit services, the total funding required could be in the range that could be funded through some of the local funding sources identified in the funding matrix. The concept of charging a fare for the ferry services also could be considered.

# SAN DIEGO-CORONADO BRIDGE

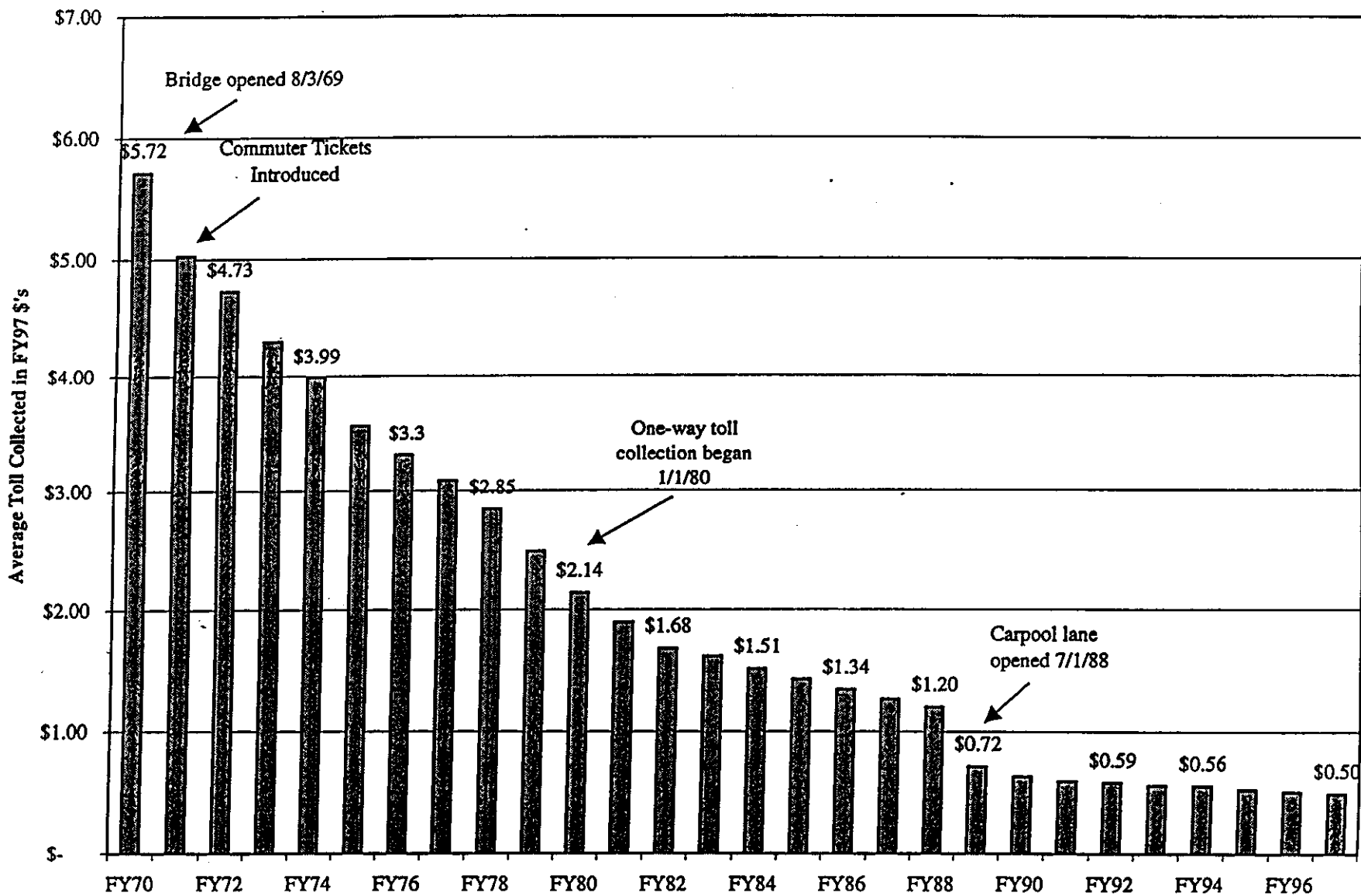


Figure 1

(Excerpt from Toll Removal Impact Study)

Table 29  
FUNDING SOURCES MATRIX

Funding Program	Funding Source	Eligibility	Current Level	Notes
<b>Transit and/or Trip Reduction Funding Options</b>				
<b>Congestion Mitigation and Air Quality (CMAQ)</b>	Federal TEA-21	Funding of non-highway projects in air quality non-attainment areas.	FY 99 (Fed) nationally = \$1,345M. FY 99 MTDB funds = \$2.1M.	Can only be used for funding of new programs and services for a three-year period.
<b>Transportation and Community and System Preservation Pilot</b>	Federal TEA-21 discretionary program	Planning and Implementation discretionary grants to fund programs that address the relationship between transportation, community and system preservation and include private sector initiatives.	FY 99 (Fed) nationally = \$20M	Intended to link land use and transportation policies to increase the efficiency of the existing system and reducing the impact of that system on the environment.
<b>AB 2766 Discretionary Funding Program</b>	Regional program using \$2 vehicle registration surcharge	Tier I projects include alt. fuel vehicle purchase/Conversion; Tier II projects include trip/emission reduction projects.	\$3.2M available in Spring '98; next solicitation in Spring 2000	Generally have not been used to operate services and fund existing programs.
<b>Special Assessment District</b>	A local/private source of funding could be created by forming an assessment district of businesses in the corridor affected by traffic.	Eligibility of the funds could be determined via police powers used to establish the district.	Determined as part of creation of district.	Creation of the district, or expansion of programs of existing districts, would require buy-in from business community.
<b>Dedication of Existing Revenue Sources</b>	Existing local revenue from parking, hotel taxes, or property taxes could be used to fund services and programs.	Use of the funds would require approval by local elected officials as allowed by the state.	Determined as part of dedication of revenue.	Parking revenue set aside most logical option given tie to traffic and transportation.
<b>Increase User Fees/Fares</b>	Increase or imposition of user fares for transit, ferry and vanpool services.	Fare policy determined by service administrators/ Operators.	Fare revenue would provide limited funding, since fares already charged on transit services, except for ferry.	Increases or imposition of fares could reduce ridership levels to point where services are less cost effective.



Funding Program	Funding Source	Eligibility	Current Level	Notes
<b>Transit Funding Options</b>				
<b>Job Access and Reverse Commute Grants</b>	Federal – TEA-21 discretionary program	Competitive grants to local government and non-profits to connect welfare recipients and low income persons to suburban employment centers	FY 99 (Fed) authorized = \$150M. Maximum federal share is 50%.	Could fund some transit services that target lower income origins to destinations in Coronado.
<b>Transportation Development Act (TDA)</b>	State program; ¼ cent sales tax in county goes into Local Transportation Fund allocated to region and cities.	MTDB uses TDA funds to subsidize the operation of regional and contract services (Route 901, 933/934, and 904).	Total MTDB TDA funds utilized in FY 99 = \$38.2M.	Use of TDA funds for Extra Peak Trips or shuttle/ferry services would require prioritization of services in comparison with other services funded with TDA.
<b>State Transit Assistance (STA)</b>	State program; ¼ cent sales tax on gasoline.	50% of STA funds allocated to MTDB based on population and fare generation.	Total MTDB STA funds utilized in FY 99 = \$4.6M	Program generates only 10% of that generated by TDA.
<b>TransNet</b>	Regional ½ cent sales tax dedicated to transportation.	Funding eligibility set by program approved by voters.	Total MTDB TransNet funds utilized in FY 99 = \$10.6M.	Funds can be used to make operating deficits from the FY 87 base year and to subsidize passes for seniors, disabled, and youth. Expansion to Bridge corridor pass subsidies unlikely.
<b>Trip Reduction Program Funding Options</b>				
<b>DOD Participation in Military Outreach</b>	Federal Dept. of Defense funds could be used to fund trip reduction outreach activities on two U.S. Navy bases.	On-site assistance, transit subsidies and services for base personnel and vanpool subsidies could be funded by the bases under a mandatory trip reduction program or under a revised DOD directive.	In FY 99, City of Coronado estimated that over \$500,000 of the \$743,610 in program funding goes to reduce trips among military employees.	While trip reduction funding from military installations is rare, precedence has been set elsewhere in California and the U.S. as part of mandatory trip reduction programs.
<b>Transportation Management Association Dues</b>	The Coronado TMA could institute a membership dues structure for all members or	An appropriate dues structure could be established by the CTMA's Board of Directors.	Dues could be set to cover all or a portion of the TMA Operations element of the	Very few TMAs in the U.S. cover a substantial proportion of their operating budget from

# **SAN DIEGO - CORONADO BRIDGE SUMMARY OF FINANCIAL PLAN OPTIONS**

	<b><u>Bonding Option</u></b>	<b><u>Non-Bonding Option</u></b>	<b><u>Increase Toll Option</u></b>
<b>Pays \$33 Million Retrofit</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Pays Caltrans Operating &amp; Capital Costs</b>	<b>Yes (Through 2021)</b>	<b>Yes</b>	<b>Yes</b>
<b>Funding Level for Annual Program</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$1,500,000+</b>
<b>Allows for Toll Removal</b>	<b>After 2028</b>	<b>2002 Or Earlier</b>	<b>No</b>
<b>Requires Increase in Toll</b>	<b>Yes (2022)</b>	<b>No</b>	<b>Yes (2000)</b>